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SENATE BILL 134

55TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2022

INTRODUCED BY

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AN ACT

RELATING TO PUBLIC FINANCE; ALLOCATING SEVERANCE TAX BONDING
CAPACITY TO THE NEW MEXICO HOUSING TRUST FUND; AUTHORIZING
SEVERANCE TAX BONDS; REQUIRING CERTAIN REVERSIONS TO THE
SEVERANCE TAX BONDING FUND; REQUIRING THE NEW MEXICO MORTGAGE
FINANCE AUTHORITY TO PRIORITIZE EXPENDING OR ENCUMBERING
CERTAIN BALANCES IN THE NEW MEXICO HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Severance Tax Bonding Act
is enacted to read:

"[NEW MATERIAL] AUTHORIZATION FOR SEVERANCE TAX BONDS--NEW
MEXICO MORTGAGE FINANCE AUTHORITY--NEW MEXICO HOUSING TRUST
FUND.--

A. After the annual estimate of severance tax
bonding capacity is made pursuant to Subsection B of Section
.221552.2SA

underscoring material = new
~~[bracketed material] = delete~~

underscoring material = new
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1 7-27-10.1 NMSA 1978, the board of finance division of the
2 department of finance and administration shall allocate two and
3 one-half percent of the estimated bonding capacity for the New
4 Mexico housing trust fund for the purposes of carrying out the
5 provisions of the New Mexico Housing Trust Fund Act.

6 B. The legislature authorizes the state board of
7 finance to issue severance tax bonds in the amount allocated
8 pursuant to this section for use by the New Mexico mortgage
9 finance authority to fund the New Mexico housing trust fund for
10 the purposes of carrying out the provisions of the New Mexico
11 Housing Trust Fund Act. The New Mexico mortgage finance
12 authority shall certify to the state board of finance the need
13 for issuance of bonds. The state board of finance may issue
14 and sell the bonds in the same manner as other severance tax
15 bonds in an amount not to exceed the authorized amount provided
16 for in this section. If necessary, the state board of finance
17 shall take the appropriate steps to comply with the federal
18 Internal Revenue Code of 1986, as that code may be amended or
19 renumbered. Proceeds from the sale of the bonds are
20 appropriated to the New Mexico housing trust fund for the
21 purposes certified by the New Mexico mortgage finance authority
22 to the state board of finance.

23 C. Money from the severance tax bonds provided for
24 in this section shall not be used to pay indirect project
25 costs. Any unexpended balance from proceeds of severance tax

.221552.2SA

underscoring material = new
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1 bonds issued for projects pursuant to the New Mexico Housing
2 Trust Fund Act shall revert to the severance tax bonding fund
3 within one year of completion of the project. Any unencumbered
4 balance from the proceeds of severance tax bonds issued
5 pursuant to this section after three years from the issuance of
6 those bonds shall revert to the severance tax bonding fund.
7 The New Mexico mortgage finance authority shall monitor and
8 ensure proper reversions of the bond proceeds appropriated for
9 the projects."

10 SECTION 2. Section 58-18C-4 NMSA 1978 (being Laws 2005,
11 Chapter 105, Section 4) is amended to read:

12 "58-18C-4. NEW MEXICO HOUSING TRUST FUND CREATED.--

13 A. The "New Mexico housing trust fund" is created
14 in the authority. The fund shall consist of all distributions,
15 [~~and~~] appropriations and other allocations made to the fund.
16 Earnings of the fund shall be credited to the fund, and
17 unexpended and unencumbered balances in the fund shall not
18 revert to any other fund except as provided in Subsection D of
19 this section. The authority shall be the trustee for the fund,
20 and the state investment council shall be the investment agent
21 for the fund. The fund may consist of such subaccounts as the
22 authority deems necessary to carry out the purpose of the fund.

23 B. The fund shall consist of revenue from the
24 following recurring sources:

25 (1) appropriations and transfers from the

.221552.2SA

underscoring material = new
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1 general fund;

2 (2) proceeds of severance tax bonds issued
3 pursuant to Section 1 of this 2022 act and any payments of
4 principal of and interest on loans for projects funded by the
5 proceeds of those bonds;

6 [~~2~~] (3) any other money appropriated or
7 distributed to the fund; or

8 [~~3~~] (4) any private contributions to the
9 fund.

10 C. Money in the fund is appropriated to the
11 authority for the purposes of carrying out the provisions of
12 the New Mexico Housing Trust Fund Act. The authority shall
13 prioritize expending or encumbering balances in the fund from
14 payments of principal of and interest on loans for projects
15 funded by the proceeds of severance tax bonds prior to
16 expending or encumbering any proceeds from more recently issued
17 bonds.

18 D. The authority shall monitor and ensure proper
19 reversions of severance tax bond proceeds as required by
20 Section 1 of this 2022 act."

21 SECTION 3. APPLICABILITY.--The allocation of severance
22 tax bonding capacity and the authorization of severance tax
23 bonds for the New Mexico housing trust fund pursuant to Section
24 1 of this 2022 act shall commence with the severance tax
25 bonding capacity estimated in January 2024.

.221552.2SA